



Keith Mestrich
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August 14, 2018

The Honorable Sherrod Brown
United States Senate
713 Hart Senate Office Building
Washington, DC 20510

Dear Senator Brown:

Amalgamated Bank was founded in 1923 with a mission to provide workers with the same banking and investment opportunities historically provided only to the wealthy. In the wake of the passage of the Employee Retirement Income Security Act of 1974 (ERISA), the Bank was granted Trust powers and began serving the investment needs of those pension funds that provided retirement security to American workers. Today, Amalgamated Bank manages or holds in custody approximately \$40 billion in workers' retirement assets and we understand the role these assets play in workers' benefits today and retirements tomorrow.

The pension funds spawned by ERISA have proven to be a fundamental leg of the proverbial 3-legged retirement stool for millions of workers, raising incomes and boosting economic growth for both workers and the communities in which they live. In addition, the \$10 trillion in defined benefit assets under management today are largely invested in the United States financial markets, supplying a significant boost to asset values.

This system, which has worked so well for decades, is now in jeopardy, threatening working families, the businesses they support, and the financial markets. Much of this threat stems from the Multiemployer Pension Reform Act of 2014 (MPRA), which eliminated many of the provisions of ERISA that protected workers most. Rather than shore up pensions as promised, the MPRA instead unfairly asked workers to absorb large pension cuts without asking employers to pay their commensurate share.

Unlike the MPRA, the proposed Butch Lewis Act, and its accompanying House Bill (H.R. 4444, the Rehabilitation of Multiemployer Pensions Act) offer a credible means of protecting what nearly five decades of ERISA have built. Through the creation of the Pension Rehabilitation Trust Fund, pension plans that are in critical and declining status would be able to apply for loans at U.S. Treasury rates to pay pension benefits. The associated 30-year loan terms would allow the plans ample time for recovery, both through financial markets' investment returns and the reduction of retiree liabilities. Importantly, the loans could not be used to increase retiree benefits, protecting the integrity of the system.

Thank you very much for your leadership on this issue that is of bipartisan importance. We believe the Butch Lewis Act is a winning proposal for retirees, workers, employers, the Pension Benefit Guaranty Corporation, the financial markets, taxpayers and their communities.

Regards,

A handwritten signature in black ink, appearing to read "Keith Mestrich", written over a faint circular line.